

S/N 09/965,405
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Atty Dkt 10013329-1

REMARKS

Claims 1-13, 15, 17-19 and 22 were pending in the application prior to this response. Claim 13 has been amended herein. Claim 22 has been canceled. Claims 1-12, 15 and 17-19 remain in the application unchanged by this response. Accordingly, after entry of the amendment presented herein, claims 1-13, 15 and 17-19 will be pending in the application. Reexamination and reconsideration are requested.

I. Rejection of Claims 1-13, 15, 17-19 and 22 Under 35 U.S.C. §101

Claims 1-13, 15, 17-19 and 22 stand rejected under 35 U.S.C. §101 as being directed to non-statutory subject matter. Reconsideration of the Examiner's rejection is respectfully considered.

Claims 1-12

The Examiner states the following on page 2 of the Office action:

The claims are directed to nothing more than abstract ideas. To be [eligible] for a patent, claims that set forth subject matter excluded by a judicial exception (i.e. abstract idea) must be for a practical application. A practical application results if the claimed invention transforms an article or physical object to a different state or thing or if the claimed invention produces a useful, concrete or tangible result.

The Examiner takes the position that applicants' claims fail to produce a useful concrete or tangible result and, thus, do not constitute statutory subject matter under 35 U.S.C. §101. For the reasons set forth below, applicants respectfully disagree with the Examiner's position.

35 U.S.C. §101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

The Court of Appeals for the Federal Circuit has interpreted this section, for example, as follows:

The plain and unambiguous meaning of Section 101 is that any invention falling within one of the four stated categories of statutory

subject matter may be patented, provided it meets the other requirements for patentability set forth in Title 35, i.e., those found in Sections 102, 103, and 112, Para.2.

The repetitive use of the expansive term "any" in Section 101 shows Congress's intent not to place any restrictions on the subject matter for which a patent may be obtained beyond those specifically recited in Section 101. Indeed, the Supreme Court has acknowledged that Congress intended Section 101 to extend to "anything under the sun that is made by man." *Diamond v. Chakrabarty*, 447 U.S. 303, 309, 206 USPQ 193 (1980); see also *Diamond v. Diehr*, 450 U.S. 175, 182, 209 USPQ 1 (1981). Thus, it is improper to read limitations into Section 101 on the subject matter that may be patented where the legislative history indicates that Congress clearly did not intend such limitations. See *Chakrabarty*, 447 U.S. at 308 ("We have also cautioned that courts 'should not read into the patent laws limitations and conditions which the legislature has not expressed.'" (citations omitted)).

State Street Bank & Trust Co. v. Signature Financial Group Inc., 47 USPQ2d 1596, 1600 (Fed. Cir. 1998)

Accordingly, the Court of Appeals for the Federal Circuit has adopted an extremely broad definition of "statutory subject matter". The Supreme Court, however, has identified three categories of subject matter that are *not* patentable, namely laws of nature, natural phenomena, and abstract ideas. See *Id.* In the present case, it appears that the Examiner is taking the position that applicants' claims fall within the "abstract ideas" category and, thus, are unpatentable. Applicants point out, however, that subject matter does not represent a mere abstract idea if the subject matter has been reduced to a practical application, i.e., "a useful, concrete and tangible result". *Id.* at 1600-1601 (citing *In re Alappat*, 31 USPQ2d 1545 at 1557 (Fed. Cir. 1994)).

Applicants' claim 1 recites the following:

A method for a first organization to do business comprising:
entering into a contractual relationship with a second

organization;

authorizing said second organization to take an order from a customer, said order comprising at least one of:

products not produced by said first organization, and services not provided by said first organization;

receiving payment directly from said customer as a payment for said order taken by said second organization;

requiring an organization other than said first organization to ship products not produced by said first organization to said customer;

requiring an organization other than said first organization to provide services to said customer.

Applicants' claim encompasses a business structure which clearly represents "a useful, concrete and tangible result" and, thus, is directed to statutory subject matter. The advantages (and, thus, the usefulness) of applicants' invention are extensively discussed in the written description of the application, for example, at page 42, line 11 through page 43, line 25.

In *State Street Bank*, the Federal Circuit concluded that the subject matter in question was, indeed statutory:

Today, we hold that the transformation of data, representing discrete dollar amounts, by a machine through a series of mathematical calculations into a final share price, constitutes a practical application of a mathematical algorithm, formula, or calculation, because it produces "a useful, concrete and tangible result"--a final share price momentarily fixed for recording and reporting purposes and even accepted and relied upon by regulatory authorities and in subsequent trades.

47 USPQ2d at 1601

In *In re Alappat*, 31 USPQ2d 1545 at 1557 (Fed. Cir. 1994), the Federal Circuit also found statutory subject matter:

... the claimed invention as a whole is directed to a combination of interrelated elements which combine to form a machine for converting discrete waveform data samples into anti-aliased pixel illumination intensity data to be displayed on a display means. This is not a disembodied mathematical concept which may be characterized as an "abstract idea," but rather a specific machine to produce a useful, concrete, and tangible result.

31 USQP2d at 1557

It is respectfully asserted that applicants' invention embodies a result at least as useful, concrete and tangible as those considered in *State Street Bank* ("the transformation of data, representing discrete dollar amounts, by a machine through a series of mathematical calculations into a final share price") and in *In re Alappat* ("a combination of interrelated elements which combine to form a machine for converting discrete waveform data samples into anti-aliased pixel illumination intensity data") as discussed above.

It is noted that the Examiner, in explaining the present rejection, states the following:

As to claims 1-12, the claim is directed to a method of doing business comprising: entering into a contract relationship between organizations and authorizing the various entities to perform certain functions. However, the claim is not directed to processing an order or transaction.

(Office action, page 2)

The relevance of the Examiner's statement is not understood since, as discussed above, the proper inquiry is whether or not a useful, concrete and tangible result is produced and not whether the claim is "directed to processing an order or transaction". Further, applicants point out that claim 1, contrary to

the Examiner's suggestion, does recite limitations related to processing an order, e.g.:

- authorizing said second organization to take an order from a customer
- receiving payment directly from said customer as a payment for said order
- requiring an organization other than said first organization to ship products
- requiring an organization other than said first organization to provide services

In summary, applicants respectfully assert that the Examiner has failed to meet the burden of establishing a *prima facie* case of unpatentability under 35 U.S.C. §101.

[T]he examiner bears the initial burden, on review of the prior art or on any other ground, of presenting a *prima facie* case of unpatentability. If that burden is met, the burden of coming forward with evidence or argument shifts to the applicant.... If examination at the initial stage does not produce a *prima facie* case of unpatentability, then without more the applicant is entitled to grant of the patent.

In re Oetiker, 977 F.2d 1443, 1445, 24 USPQ2d 1443, 1444 (Fed. Cir. 1992). This case is discussed, for example, in MPEP Section 2107.02.

MPEP 2106 II A elaborates on this issue, setting forth the following:

A process that consists solely of the manipulation of an abstract

idea is not concrete or tangible.... Office personnel have the burden to establish a *prima facie* case that the claimed invention as a whole is directed to solely an abstract idea or to manipulation of abstract ideas or does not produce a useful result. Only when the claim is devoid of any limitation to a practical application in the technological arts should it be rejected under 35 U.S.C. 101.... Further, **when such a rejection is made, Office personnel must expressly state how the language of the claims has been interpreted to support the rejection.**

(bold emphasis added)

Thus, the Examiner bears the initial burden of establishing a *prima facie* case of unpatentability. *In re Oetiker, supra*. A rejection under 35 U.S.C. §101 is proper “only when the claim is devoid of *any* limitation to a practical application in the technological arts”. MPEP 2106 II A, *supra* (emphasis added). Further, to properly raise such a rejection, the Examiner “must expressly state how the language of the claims has been interpreted to support the rejection”. *Id* (emphasis added). In the present case, the Examiner has not pointed out, with specificity, why the invention recited in applicants’ claim 1 fails to produce a useful, concrete and tangible result; thus, the Examiner has not met the requisite burden. Accordingly, applicants respectfully assert that a *prima facie* case of unpatentability under 35 U.S.C. §101 has not been established with respect to claim 1.

Thus, for at least the reasons advanced above, applicants respectfully assert that independent claim 1, and claims 2-12 which depend therefrom, are in condition for allowance.

Claims 13, 15 and 17

Applicants’ arguments advanced above with respect to claim 1 are also pertinent with respect to the present rejection of claims 13, 15 and 17. Thus,

these arguments are hereby incorporated by reference in the present discussion with respect to the rejection of claims 13, 15 and 17.

In a manner similar to the rejection of claim 1, it appears that the Examiner is taking the position that applicants' independent claim 13 represents merely an "abstract idea" and, thus, is unpatentable. As noted above, however, subject matter does not represent a mere abstract idea if the subject matter has been reduced to a practical application, i.e., "a useful, concrete and tangible result". *Id.* at 1600-1601 (citing *In re Alappat*, 31 USPQ2d 1545 at 1557 (Fed. Cir. 1994)).

Applicants' independent claim 13, as amended herein, recites the following:

A method for a first organization to do business comprising:
 requiring a second organization to take an order for sales items on behalf of the first organization;
 in response to a determination that the order includes a product distributed by a third organization sending an order for that product to the third organization;
 requiring the third organization to ship the product directly to a customer's address;
 requiring the third organization to notify the second organization when the product has been shipped;
 wherein the product shipped by the third organization is less than all items distributed by the third organization that were on the order; and
 requiring the third organization to notify the second organization when the order is incomplete and when the backlog for items on the order that were not shipped is longer than a predetermined number of days.

Applicants' claim 13 encompasses a business structure which clearly represents "a useful, concrete and tangible result" and, thus, is directed to statutory subject matter. The advantages (and, thus, the usefulness) of applicants' invention are extensively discussed in the written description of the application, for example, at page 42, line 11 through page 43, line 25. The invention recited in applicants' claim 13 embodies a result at least as useful, concrete and tangible as those considered in *State Street Bank* ("the transformation of data, representing discrete dollar amounts, by a machine through a series of mathematical calculations into a final share price") and in *In re Alappat* ("a combination of interrelated elements which combine to form a machine for converting discrete waveform data samples into anti-aliased pixel illumination intensity data"). See the discussion of the rejection of claim 1, *supra*.

The Examiner, in explaining the rejection of claim 13, states, for example, the following:

As to claims 13, 15 and 17, the claim is directed to a method of doing business comprising establishing requirements for organizations regarding the sale of items and listing the various responsibilities of each of the organizations. However, the claim is not directed to processing an order or transaction.

(Office action, page 3)

Again, the Examiner's statement regarding "processing an order or transaction" does not appear to be relevant to the current issue on appeal. As discussed above, with respect to the rejection of claim 1, the proper inquiry is whether or not a useful, concrete and tangible result is produced and not whether the claim is directed to "processing an order or transaction". Further, applicants point out that claim 13, contrary to the Examiner's suggestion, does

recite limitations related to processing an order, e.g.:

requiring a second organization to take an order for sales items on behalf of the first organization

sending an order for that product to the third organization

requiring the third organization to ship the product directly to a customer's address

requiring the third organization to notify the second organization when the product has been shipped

requiring the third organization to notify the second organization when the order is incomplete

As discussed above, with respect to the rejection of claim 1, the Examiner bears the initial burden of establishing a *prima facie* case of unpatentability. See, e.g., *In re Oetiker, supra*. A rejection under 35 U.S.C. §101 is proper “only when the claim is devoid of *any* limitation to a practical application in the technological arts”. MPEP 2106 II A, *supra* (emphasis added). Further, to properly raise such a rejection, the Examiner “must expressly state how the language of the claims has been interpreted to support the rejection”. *Id* (emphasis added). In the present case, the Examiner has not pointed out, with specificity, why it is believed that the invention recited in applicants’ claim 13 fails to produce a useful, concrete and tangible result; thus, the Examiner has not met the requisite burden. Accordingly, applicants respectfully assert that a *prima facie* case of unpatentability under 35 U.S.C. §101 has not been established with respect to claim 13.

Thus, for at least the reasons advanced above, applicants respectfully assert that independent claim 13, and claims 15 and 17 which depend therefrom, are in condition for allowance.

Claim 18

Applicants' arguments advanced above with respect to claim 1 are also pertinent with respect to the present rejection of claim 18. Thus, these arguments are hereby incorporated by reference in the present discussion with respect to the rejection of claim 18.

In a manner similar to the rejection of claim 1, it appears that the Examiner is taking the position that applicants' claim 18 represents merely an "abstract idea" and, thus, is unpatentable. As applicants noted above, however, subject matter does not represent a mere abstract idea if the subject matter has been reduced to a practical application, i.e., "a useful, concrete and tangible result". *Id.* at 1600-1601 (citing *In re Alappat*, 31 USPQ2d 1545 at 1557 (Fed. Cir. 1994)).

Applicants' independent claim 18 recites the following:

A method for a first organization to do business comprising:
requiring a second organization to take an order for sales items
on behalf of the first organization;

in response to a determination that the order includes a product
distributed by a third organization sending an order for that product to
the third organization;

requiring the third organization to notify the first organization
when the order exceeds a predetermined credit limit of the second
organization.

Applicants' claim 18 encompasses a business structure which clearly represents "a useful, concrete and tangible result" and, thus, is directed to statutory subject matter. The advantages (and, thus, the usefulness) of applicants' invention are extensively discussed in the written description of the application, for example, at page 42, line 11 through page 43, line 25. The invention recited in applicants' claim 18 embodies a result at least as useful, concrete and tangible as those considered in *State Street Bank* ("the transformation of data, representing discrete dollar amounts, by a machine through a series of mathematical calculations into a final share price") and in *In re Alappat* ("a combination of interrelated elements which combine to form a machine for converting discrete waveform data samples into anti-aliased pixel illumination intensity data"). See the discussion of the rejection of claim 1, *supra*.

The Examiner, in explaining the rejection of claim 18, states, for example, the following:

As to claim 18, the claim is directed to a method of doing business comprising establishing requirements for organizations regarding the sale of items, listing the various responsibilities of each of the organizations and notification requirements for each of the organizations if certain conditions are met. However, the claim is not directed to processing an order or transaction.

(Office action, pages 3-4)

As in the case of claims 1 and 13, discussed above, the Examiner's statement regarding "processing an order or transaction" does not appear to be relevant to the current issue. As discussed above, with respect to the rejection of claim 1, the proper inquiry is whether or not a useful, concrete and

tangible result is produced and not whether the claim is directed to “processing an order or transaction”. Further, applicants point out that claim 18, contrary to the Examiner’s suggestion, does recite limitations related to processing an order, e.g.:

requiring a second organization to take an order

sending an order for that product to the third organization

As discussed above, with respect to the rejection of claim 1, the Examiner bears the initial burden of establishing a *prima facie* case of unpatentability. See, e.g., *In re Oetiker, supra*. A rejection under 35 U.S.C. §101 is proper “only when the claim is devoid of *any* limitation to a practical application in the technological arts”. MPEP 2106 II A, *supra* (emphasis added). Further, to properly raise such a rejection, the Examiner “must expressly state how the language of the claims has been interpreted to support the rejection”. *Id* (emphasis added). In the present case, the Examiner has not pointed out, with specificity, why it is believed that the invention recited in applicants’ claim 18 fails to produce a useful, concrete and tangible result; thus, the Examiner has not met the requisite burden. Accordingly, applicants respectfully assert that a *prima facie* case of unpatentability under 35 U.S.C. §101 has not been established with respect to claim 18.

Thus, for at least the reasons advanced above, applicants respectfully assert that independent claim 18 is in condition for allowance.

Claims 19 and 22

Applicants’ arguments advanced above with respect to claim 1 are also

pertinent with respect to the present rejection of claim 19. Thus, these arguments are hereby incorporated by reference in the present discussion with respect to the rejection of claim 19.

In a manner similar to the rejection of claim 1, it appears that the Examiner is taking the position that applicants' claim 19 represents merely an "abstract idea" and, thus, is unpatentable. As applicants noted above, however, subject matter does not represent a mere abstract idea if the subject matter has been reduced to a practical application, i.e., "a useful, concrete and tangible result". *Id.* at 1600-1601 (citing *In re Alappat*, 31 USPQ2d 1545 at 1557 (Fed. Cir. 1994)).

Applicants' independent claim 19 recites the following:

A method for a first organization to do business comprising:
in response to a determination that services in a service order taken by a second organization on behalf of the first organization is incomplete determining whether the service order includes support services;
determining a billing strategy based upon whether or not the service order includes support services;
in response to a determination that the service order does not include support services determining whether the services ordered may be completed in less than a predetermined period of time;
determining a billing strategy based upon whether or not the services ordered may be completed in less than a predetermined period of time;
wherein it is determined that the services ordered may not be completed in less than the predetermined period of time and further comprising determining whether the services ordered are essential to

the use of hardware included on the order; and

wherein it is determined that the services ordered are not essential to the use of hardware included on the order and further comprising invoicing the hardware portion of the order prior to completion of the services ordered.

Applicants' claim 19 encompasses a business structure which clearly represents "a useful, concrete and tangible result" and, thus, is directed to statutory subject matter. The advantages (and, thus, the usefulness) of applicants' invention are extensively discussed in the written description of the application, for example, at page 42, line 11 through page 43, line 25. The invention recited in applicants' claim 19 embodies a result at least as useful, concrete and tangible as those considered in *State Street Bank* ("the transformation of data, representing discrete dollar amounts, by a machine through a series of mathematical calculations into a final share price") and in *In re Alappat* ("a combination of interrelated elements which combine to form a machine for converting discrete waveform data samples into anti-aliased pixel illumination intensity data"). See the discussion of the rejection of claim 1, *supra*.

The Examiner, in explaining the rejection of claim 19, states, for example, the following:

As to claims 19 and 22, the claim is directed to a method of doing business comprising: Determining whether an organization providing services has completed the service, determining the types of services provided or to be provided and determining a billing strategy based on this determination. However, the claim is not directed to processing a bill for an order or transaction.

(Office action, page 4)

As in the case of claims 1, 13, and 18, the Examiner's statement regarding "processing a bill for an order or transaction" does not appear to be relevant to the current issue on appeal. As discussed above, with respect to the rejection of claim 1, the proper inquiry is whether or not a useful, concrete and tangible result is produced and not whether the claim is directed to "processing a bill for an order or transaction".

As also discussed above, with respect to the rejection of claim 1, the Examiner bears the initial burden of establishing a *prima facie* case of unpatentability. See, e.g., *In re Oetiker, supra*. A rejection under 35 U.S.C. §101 is proper "only when the claim is devoid of *any* limitation to a practical application in the technological arts". MPEP 2106 II A, *supra* (emphasis added). Further, to properly raise such a rejection, the Examiner "must expressly state how the language of the claims has been interpreted to support the rejection". *Id* (emphasis added). In the present case, the Examiner has not pointed out, with specificity, why it is believed that the invention recited in applicants' claim 19 fails to produce a useful, concrete and tangible result; thus, the Examiner has not met the requisite burden. Accordingly, applicants respectfully assert that a *prima facie* case of unpatentability under 35 U.S.C. §101 has not been established with respect to claim 19.

Thus, for at least the reasons advanced above, applicants respectfully assert that independent claim 19 is in condition for allowance. Dependent claim 22 has been canceled.

II. Rejection of Claims 1-6 and 8-12 Under 35 U.S.C. §103(a)

Claims 1-6 and 8-12 stand rejected under 35 U.S.C. §103(a) as being unpatentable over Sharp et al. (U.S. Patent No. 6,263,317) ("Sharp") in view of Curie et al. (U.S. 6,871,232 B2) ("Curie"). Reconsideration of the Examiner's rejection is respectfully requested.

Applicants' claim 1 recites the following:

A method for a first organization to do business comprising:
entering into a contractual relationship with a second organization;
authorizing said second organization to take an order from a customer, said order comprising at least one of:
products not produced by said first organization, and services not provided by said first organization;
receiving payment directly from said customer as a payment for said order taken by said second organization;
requiring an organization other than said first organization to ship products not produced by said first organization to said customer;
requiring an organization other than said first organization to provide services to said customer.

Claim 1 recites the following:

receiving payment directly from said customer as a payment for said order taken by said second organization;

Sharp does not disclose or suggest that the first organization receives

payment directly from the customer. On page 5 of the Office action, the Examiner asserts that this limitation is met by Sharp and points to col. 4, lines 2-4 in support of this position. This portion of the Sharp reference is reproduced as follows:

information, all in stage 309. The credit card or other payment information submitted by the customer is verified and processed in stage 312. If verification for the payment

Although this excerpt from Sharp generally discusses credit card payment information, there is no disclosure or suggestion that the first organization receives payment directly from the customer as required by claim 1. Curie does nothing to remedy the inadequacy of Sharp.

Claim 1 further recites the following:

requiring an organization other than said first organization to ship products not produced by said first organization to said customer;

Sharp does not disclose or suggest that the first organization requires an organization other than said first organization to ship products not produced by said first organization. On page 5 of the Office action, the Examiner asserts that this limitation is met by Sharp and points to col. 4, lines 36-55 in support of this position. This portion of the Sharp reference is reproduced as follows:

An airbill, packing slip and other shipment information are then generated by server computer 110 in stage 351 and an order ship timer for the supplier is started in stage 363. In stage 354, the supplier prints the airbill, packing slip and shipment confirmation information form using distributor computer 140 or manufacturer computer 130. All shipping materials generated in stages 351 and 354 reflect the owner of the website as the shipping party, regardless of the distribution channel actually used to ship the product, making the actual distribution channel

conflict resolution process transparent to the user. The supplier then attaches the airbill and packing slip to the shipment in stage 357. The supplier completes the order confirmation form on the website in stage 360. Stage 366 then determines whether the supplier entered shipment confirmation information on for the product on time, in which case operation 300 proceeds to stage 372. Otherwise, a missed opportunity letter is sent to the supplier in stage 369 and stages 321-366 are repeated until the order is accepted and the corresponding product is shipped on time.

This portion of Sharp does not discuss products not produced by the first organization. Again, the Curie reference does nothing to remedy the inadequacy of Sharp.

Claim 1 further recites the following:

entering into a contractual relationship with a second organization;

The Examiner takes the position that this limitation is taught by Curie (Office action, page 5) and that, therefore, it would be obvious to modify Sharp accordingly. Specifically, the Examiner states the following on page 5 of the Office action:

However, Curie discloses entering into a contractual relationship with a second organization (i.e. reseller agreements) (see fig. 13).

Applicants point out, however, that, although Curie shows a “first organization” 800 and a “second organization” 806 in Fig. 13, Curie does not disclose that a contractual relationship as recited in applicants’ claim 1 exists between the first and second organizations. Fig. 13 is discussed by the Curie reference, for example, as follows:

Another alternative embodiment of the present invention is shown in FIG. 13. In this embodiment, any number of companies 800, 806 may use a third party RPM service provider for provisioning resources through agents 804, 810. These companies 800, 806 may utilize their own resources and have these resources provisioned through a network 822, such as, for example, the Internet, by the third party RPM service provider using a third party server 820. However, these companies 800, 806 may also be considered vendors of their respective resources and may choose to affiliate themselves with one another and share resources. This is easily facilitated due to the third party RPM service provider being a common and trusted link to each vendor. Thus, the resources owned and operated by each affiliate organization may be "cross-provisioned" among the affiliated organizations by the third party RPM service provider. This embodiment of the invention may also be described as a "resource exchange."

(col. 28, line 52 - col. 29, line 2)

The first and second organizations disclosed by Curie appear to, essentially, represent independent customers. Although Curie states that the two organizations "may choose to affiliate themselves with one another and share resources" (see above), there is no disclosure or suggestion of the two organizations entering into a contractual arrangement of the type recited in applicants' claim 1.

For at least the reasons advanced above, applicants respectfully assert that the limitations of claim 1 are not met by the proposed combination of the Sharp and Curie references and that, accordingly, a *prima facie* case of obviousness has not been established.

Applicants further respectfully assert that a *prima facie* case of obviousness has not been established because there is no suggestion or motivation to combine the reference teachings as proposed by the Examiner.

"It is insufficient to establish obviousness that the separate elements of the invention existed in the prior art, absent some teaching or suggestion, in the prior art, to combine the elements."

Arkie Lures, Inc. v. Gene Larew Tackle, Inc., 119 F.3d 953, 957, 43 USPQ2d 1294, 1297 (Fed. Cir. 1997).

The Examiner has provided no basis for a teaching or suggestion in the prior art for combining elements as proposed in the Office action. The Examiner's argument regarding obviousness is as follows:

It would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to include the aforementioned limitations as disclosed by Curie within Sharp *for the motivation of offering additional services not offered by direct sellers thereby providing an incentive and increased choices for customers.*

(Office action, page 5, emphasis added)

The language italicized above represents the Examiner's only explanation regarding a teaching or suggestion to combine. This language, however, represents, at best, an *unsupported statement* made by the Examiner. In order to establish a *prima facie* case, a teaching or suggestion to combine must be found *in the prior art*. See, e.g., *Arkie Lures, Inc. v. Gene Larew Tackle, Inc.*, *supra*. The Examiner has not referred to any prior art in support of the position that a motivation or suggestion to combine exists but, instead, apparently expects the unsupported conclusory statement reproduced above to suffice. Such an unsupported statement, however, cannot constitute the evidence required to establish existence of a motivation or suggestion to combine:

Whether the Board relies on an express or an implicit showing [of a motivation, suggestion or teaching to modify the teachings of a reference], it must provide particular findings related thereto.... Broad conclusory statements standing alone are not "evidence".

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In re Kotzab, 55 USPQ2d 1313, 1317 (Fed. Cir. 2000) (citing *In re Dembiczak*, 50 USPQ2d 1614, 1617 (Fed. Cir. 1999))

Accordingly, the Examiner's statement does not constitute a showing of a teaching or suggestion to combine since the Examiner provides no evidence of the requisite motivation to combine but, instead, attempts to rely on an unsupported statement of personal opinion. Such personal opinion does not represent an adequate substitute for evidence.

In short, it appears that the Examiner's proposed combination of references is based solely on hindsight derived from applicants' specification. The use of hindsight in this manner is clearly prohibited by the relevant case law:

Obviousness can not be established by hindsight combination to produce the claimed invention. *In re Gorman*, 933 F.2d 982, 986, 18 USPQ2d 1885, 1888 (Fed. Cir. 1991). As discussed in *Interconnect Planning Corp. v. Feil*, 774 F.2d 1132, 1143, 227 USPQ 543, 551 (Fed. Cir. 1985), it is the prior art itself, and not the applicant's achievement, that must establish the obviousness of the combination.

In re Dance, 48 USPQ2d 1635, 1637 (Fed. Cir. 1998)

Obviousness may not be established using hindsight. See *W.L. Gore & Assocs., Inc. v. Garlock, Inc.*, 721 F.2d 1540, 1551, 220 USPQ 303, 312-13 (Fed. Cir. 1983).

Kahn v. General Motors Corp., 45 USPQ2d 1608, 1613 (Fed. Cir. 1998)

Accordingly, applicants respectfully assert that the Examiner has not established a *prima facie* case of unpatentability and that, therefore, claim 1 is in condition for allowance. Claims 2-6 and 8-12 are allowable at least as ultimately depending from allowable base claim 1.

III. Rejection of Claim 7 Under 35 U.S.C. §103(a)

Claim 7 stands rejected under 35 U.S.C. §103(a) as being unpatentable over Sharp et al. (U.S. Patent No. 6,263,317) ("Sharp") and Curie et al. (U.S. 6,871,232 B2) ("Curie"), as applied to claim 1 and further in view of Hogan (U.S. Published Application No. 2001/0002464). Reconsideration of the Examiner's rejection is respectfully requested.

Applicants' claim 7 recites the following:

The method of claim 3 and further comprising:
verifying that said third organization service was performed by
said third organization.

Applicants respectfully assert that a *prima facie* case of obviousness has not been established with respect to claim 7 because there is no suggestion or motivation to combine the teachings of the Sharp, Curie and Hogan references as proposed by the Examiner. The law requiring that the Examiner demonstrate a suggestion or motivation to combine is discussed in more detail above with respect to the rejection of claim 1. To avoid repetition by reproducing that discussion here, applicants instead hereby incorporate the discussion by reference into the arguments advanced below regarding the rejection of claim 7.

The Examiner states the following on page 7 of the Office action regarding the combination of references proposed to support the rejection of claim 7:

It would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to include the aforementioned limitations as disclosed by Hogan into the combined systems of Sharp and Curie for

the motivation of automating equipment servicing and task management to allow access to maintenance reports (paragraph 12)
(emphasis added)

The language italicized above represents the Examiner's only explanation regarding a suggestion or motivation to combine the Sharp, Curie and Hogan reference teachings. As discussed above with respect to the rejection of claim 1, however, this type of unsupported statement is insufficient to establish the legally-requisite motivation or suggestion to combine reference teachings.

As in the rejection of claim 1, it appears that the selection of references proposed by the Examiner to reject claim 7 is based solely on hindsight derived from applicants' specification. As pointed out above with respect to the rejection of claim 1, however, the use of hindsight in this manner is clearly impermissible (see, e.g., *In re Dance*, 48 USPQ2d 1635, 1637 (Fed. Cir. 1998), *supra*).

In view of the arguments advanced above, applicants respectfully assert that the Examiner has not established a *prima facie* case of unpatentability and that, therefore, claim 7 is in condition for allowance.

IV. Rejection of Claims 13 and 15 Under 35 U.S.C. §103(a)

Claims 13 and 15 stand rejected under 35 U.S.C. §103(a) as being unpatentable over Sharp et al. (U.S. Patent No. 6,263,317) ("Sharp") in view of Carpenter et al. (U.S. 6,868,401) ("Carpenter"). Reconsideration of the Examiner's rejection is respectfully requested.

Applicants' independent claim 13, as amended herein, recites the following:

A method for a first organization to do business comprising:

requiring a second organization to take an order for sales items on behalf of the first organization;

in response to a determination that the order includes a product distributed by a third organization sending an order for that product to the third organization;

requiring the third organization to ship the product directly to a customer's address;

requiring the third organization to notify the second organization when the product has been shipped;

wherein the product shipped by the third organization is less than all items distributed by the third organization that were on the order; and

requiring the third organization to notify the second organization when the order is incomplete and when the backlog for items on the order that were not shipped is longer than a predetermined number of days.

Applicants respectfully assert that a *prima facie* case of obviousness has not been established with respect to claim 13 because there is no suggestion or motivation to combine the teachings of the Sharp and Carpenter references as proposed by the Examiner. The law requiring that the Examiner demonstrate a suggestion or motivation to combine is discussed in more detail above with respect to the rejection of claim 1. To avoid repetition by reproducing that discussion here, applicants instead hereby incorporate the discussion by reference into the arguments advanced below regarding the rejection of claim 13.

The Examiner states the following on page 8 of the Office action regarding the combination of references proposed to support the rejection of claim 13:

It would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to include the aforementioned limitation as disclosed by Carpenter within *Sharp for the motivation of processing transactions through a computer network and tracks transaction through to completion (col. 2, lines 8-15)*

(emphasis added)

The language italicized above represents the Examiner's only explanation regarding a suggestion or motivation to combine the Sharp and Carpenter reference teachings. As discussed above with respect to the rejection of claim 1, however, this type of unsupported statement is insufficient to establish the legally-requisite motivation or suggestion to combine reference teachings.

As in the rejection of claim 1, it appears that the selection of references proposed by the Examiner to reject claim 13 is based solely on hindsight derived from applicants' specification. As applicants asserted above with respect to the rejection of claim 1, however, the use of hindsight in this manner is clearly impermissible (see, e.g., *In re Dance*, 48 USPQ2d 1635, 1637 (Fed. Cir. 1998), *supra*).

In view of the arguments advanced above, applicants respectfully assert that the Examiner has not established a *prima facie* case of unpatentability and that, therefore, claim 7 is in condition for allowance. Claim 15 is allowable at least as ultimately depending from allowable base claim 13.

V. Rejection of Claim 17 Under 35 U.S.C. §103(a)

Claim 17 stands rejected under 35 U.S.C. §103(a) as being unpatentable over Sharp et al. (U.S. Patent No. 6,263,317) ("Sharp") in view of Work et al. (Published U.S. Patent Application No. 2002/0007302) ("Work").

Reconsideration of the Examiner's rejection is respectfully requested.

At the outset, applicants point out that claim 17 depends from independent claim 13 and the Examiner has rejected claim 13 over Sharp in view of Carpenter (see applicants' arguments re claims 13 and 15. Thus, it would appear that the basis for the rejection of claim 17 should include the Carpenter reference.

In any event, applicants respectfully assert that the present rejection of claim 17 is improper because there is no suggestion or motivation to combine the reference teachings as proposed by the Examiner (whether that combination is Sharp in view of Carpenter or Sharp and Work in view of Carpenter).

Applicants' claim 17 recites the following:

The method of claim 13 further comprising:
requiring the second organization to notify the first organization when the order is incomplete and when the backlog for items on the order that were not shipped is longer than a predetermined number of days.

The law requiring that the Examiner demonstrate a suggestion or motivation to combine is discussed in more detail above with respect to the rejection of claim 1. To avoid repetition by reproducing that discussion here, applicants instead hereby incorporate the discussion by reference into the arguments advanced below regarding the rejection of claim 17.

The Examiner states the following on page 9 of the Office action regarding the combination of references proposed to support the rejection of claim 17:

It would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to include the aforementioned limitation as disclosed by Work within Sharp *for the motivation of tracking vendor compliance with guidelines imposed on distributers, senders, shippers and the like in a supply chain (paragraph 8)*

(Office action, page 9, emphasis added)

The language italicized above represents the Examiner's only explanation regarding a suggestion or motivation to combine the reference teachings. As discussed above with respect to the rejection of claim 1, however, this type of unsupported statement is insufficient to establish the legally-requisite motivation or suggestion to combine reference teachings.

As in the rejection of claim 1, it appears that the selection of references proposed by the Examiner to reject claim 17 is based solely on hindsight derived from applicants' specification. As applicants asserted above with respect to the rejection of claim 1, however, the use of hindsight in this manner is clearly impermissible (see, e.g., *In re Dance*, 48 USPQ2d 1635, 1637 (Fed. Cir. 1998), *supra*).

In view of the arguments advanced above, applicants respectfully assert that the Examiner has not established a *prima facie* case of unpatentability and that, therefore, claim 17 is in condition for allowance.

VI. Rejection of Claim 18 Under 35 U.S.C. §103(a)

Claim 18 stands rejected under 35 U.S.C. §103(a) as being unpatentable over Sharp et al. (U.S. Patent No. 6,263,317) ("Sharp") in view of Bremers (U.S. Patent No. 6,901,380). Reconsideration of the Examiner's rejection is respectfully requested.

Applicants' claim 18 recites the following:

A method for a first organization to do business comprising:
requiring a second organization to take an order for sales items
on behalf of the first organization;
in response to a determination that the order includes a product
distributed by a third organization sending an order for that product to
the third organization;
**requiring the third organization to notify the first
organization when the order exceeds a predetermined credit limit
of the second organization.**

(emphasis added)

The Examiner admits that Sharp fails to disclose the limitation highlighted above, but takes the position that this is taught by Bremers. The Examiner points to col. 9, lines 10-20 of Bremers in support of this position. This portion of the Bremers reference is reproduced as follows:

In an embodiment of the present invention, incoming orders may be processed by the business application 200 to detect and potentially resolve variances before being authorized and communicated to a vendor. Variances can be detected based on expected value (e.g., variances may include an order having an amount greater than a given credit limit or a lapsed shipping date). A notice of a variance may be presented to a business user for resolution (e.g., authorizing a higher credit limit or modifying the shipping date).

In this excerpt, the application 200 *detects and resolves* variances (e.g., exceeding a credit limit) *before* the order is communicated to the vendor. Thus, Bremers does not disclose that the vendor is notified when an order

exceeds a credit limit. This is contrary to applicants' claim 18, which requires that the third organization notify the first organization when the order exceeds a predetermined credit limit of the second organization.

For the reasons advanced above applicants respectfully assert that all of the limitations of claim 18 are not met by the proposed combination of the Sharp and Bremers references and that, accordingly, a *prima facie* case of obviousness has not been established.

Applicants further respectfully assert that a *prima facie* case of obviousness has not been established with respect to claim 18 because there is no suggestion or motivation to combine the reference teachings as proposed by the Examiner. The law requiring that the Examiner demonstrate a suggestion or motivation to combine is discussed in more detail above with respect to the rejection of claim 1. To avoid repetition by reproducing that discussion here, applicants instead hereby incorporate the discussion by reference into the arguments advanced below regarding the rejection of claim 18.

The Examiner states the following on page 10 of the Office action regarding the combination of references proposed to support the rejection of claim 18:

It would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to include the aforementioned limitation as disclosed Bremers within Sharp *for the motivation of a system that provides feedback representing purchase order or customer information changes (col. 2, lines 35-45)*.

(emphasis added)

The language italicized above represents the Examiner's only explanation regarding a suggestion or motivation to combine the Sharp and

Bremers reference teachings. As discussed above with respect to the rejection of claim 1, however, this type of unsupported statement is insufficient to establish the legally-requisite motivation or suggestion to combine reference teachings.

As in the rejection of claim 1, it appears that the selection of references proposed by the Examiner to reject claim 18 is based solely on hindsight derived from applicants' specification. As discussed above with respect to the rejection of claim 1, however, the use of hindsight in this manner is clearly impermissible (see, e.g., *In re Dance*, 48 USPQ2d 1635, 1637 (Fed. Cir. 1998), *supra*).

In view of the arguments advanced above, applicants respectfully assert that the Examiner has not established a *prima facie* case of unpatentability and that, therefore, claim 18 is in condition for allowance.

VII. Claim Amendments

Claim 13 has been amended herein to correct a minor typographical error (the period at the end of the fourth clause has been replaced with a semi-colon).

Claim 22 has been canceled.

VIII. Allowable Subject Matter

In paragraph 9 of the Office action (page 10), the Examiner indicates that claims 19 and 22 would be allowable if the rejection under 35 U.S.C. 35 U.S.C. §101 were overcome (as noted above, claim 22 has been canceled herein).

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For the reasons advanced above, applicants respectfully assert that all of the claims are in condition for allowance.

Respectfully submitted,
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